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FILED VIA ECFS

May 1, 2012

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: A National Broadband Plan for Our Future, GN Docket 09-51**

Dear Ms. Dortch:

On April 30, 2012, Jim Becker, CEO of the Independent Optical Network (ION), and Salvatore Talluto, Colin Sandy, and the undersigned from NECA met with Josh Gottheimer, Senior Counselor to the Chairman, and Jordan Usdan, Deputy Director Public-Private Initiatives to discuss rural broadband deployment.

The NECA and ION representatives discussed the initiatives ION and other rural telcos have taken to increase broadband adoption and deployment in their service areas. The group also discussed various grant programs, initiatives, and NECA mechanisms that have facilitated an increase in broadband deployment throughout rural areas across the country. We also discussed obstacles that still remain including cost recovery for last and second mile broadband networks, more transport pricing flexibility, and expanded definition of the LEC study area. Finally, we discussed adoption-specific hurdles such as cost, relevance, and digital literacy. In particular the group discussed low cost options and how to enhance efforts to promote digital literacy among rural broadband subscribers.

The attached presentation summarizes and illustrates our discussion and was left behind. Michael Steffen of the Chairman's office also received a copy.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact me at (202) 682-2495 or jdupree@neca.org.

Sincerely,

Jeffrey E Dupree

Attachment

cc: Josh Gottheimer
Jordan Usdan
Michael Steffen



**Independent Network**

**Operations Consortium, LLC)**

# Company Overview

- Headquartered in Albany, NY
- Founded by 12 RLEC's (rural Telco's) in 2004, *operational in 2006*
- Additional equity investment from the RLEC's and Sovernet (subsidiary of Atlantic Tele-Networks…NASDAQ: ATNI) in August 2008
- 2200+ mile fiber network throughout upstate NY (rural & metro areas)
- "Ring" topology for redundant and protected services, minimal downtime
- Increased bandwidth and connectivity options at lower costs
- Customer & Technology agnostic; *we can provide service to anyone*
- 70+ connection points (and growing) for easy customer ingress/egress
- Serving carriers, service providers, wireless & large enterprise
  - *For example, Frontier, VZ Wireless, Sprint Wireless, Level3, Windstream, etc.*

# RLEC Affiliated Investors

**Combined, these companies represent over 1300 years of telecommunications experience and serve 110,000+ voice lines, 20,000+ broadband customers, and 12,000+ cable TV customers.**

- **Armstrong Telephone** (Addison, NY)
- **Chazy & Westport Telephone** (Chazy, NY & Westport, NY)
- **Crown Point Telephone** (Crown Point, NY)
- **DFT Communications** (Fredonia, NY)
- **Delhi Telephone** (Delhi, NY)
- **Empire Telephone** (Prattsburgh, NY & Millerton, PA)
- **Germantown Telephone** (Germantown, NY)
- **Hancock Telephone** (Hancock, NY)
- **Margaretville Telephone** (Margaretville, NY)
- **Middleburgh Telephone** (Middleburgh, NY)
- **Newport Telephone** (Newport, NY)
- **State Telephone** (Coxsackie, NY)

# ION Members - NECA

- **ION Members Rely on NECA for Tariff and Pooling Support**
  - Provides stability in cash flow
  - Provides protection against investment risk
- **Members Participate in NECA DSL Tariff**
  - Wholesale Broadband
  - Use tariff options including ability for remote ISPs use of ILEC broadband networks
  - Provides options for connectivity to middle mile networks and traffic aggregation using the ION network
- **NECA Pooling and FCC support programs have enabled ION members to bring broadband to 98% of the customers we serve***

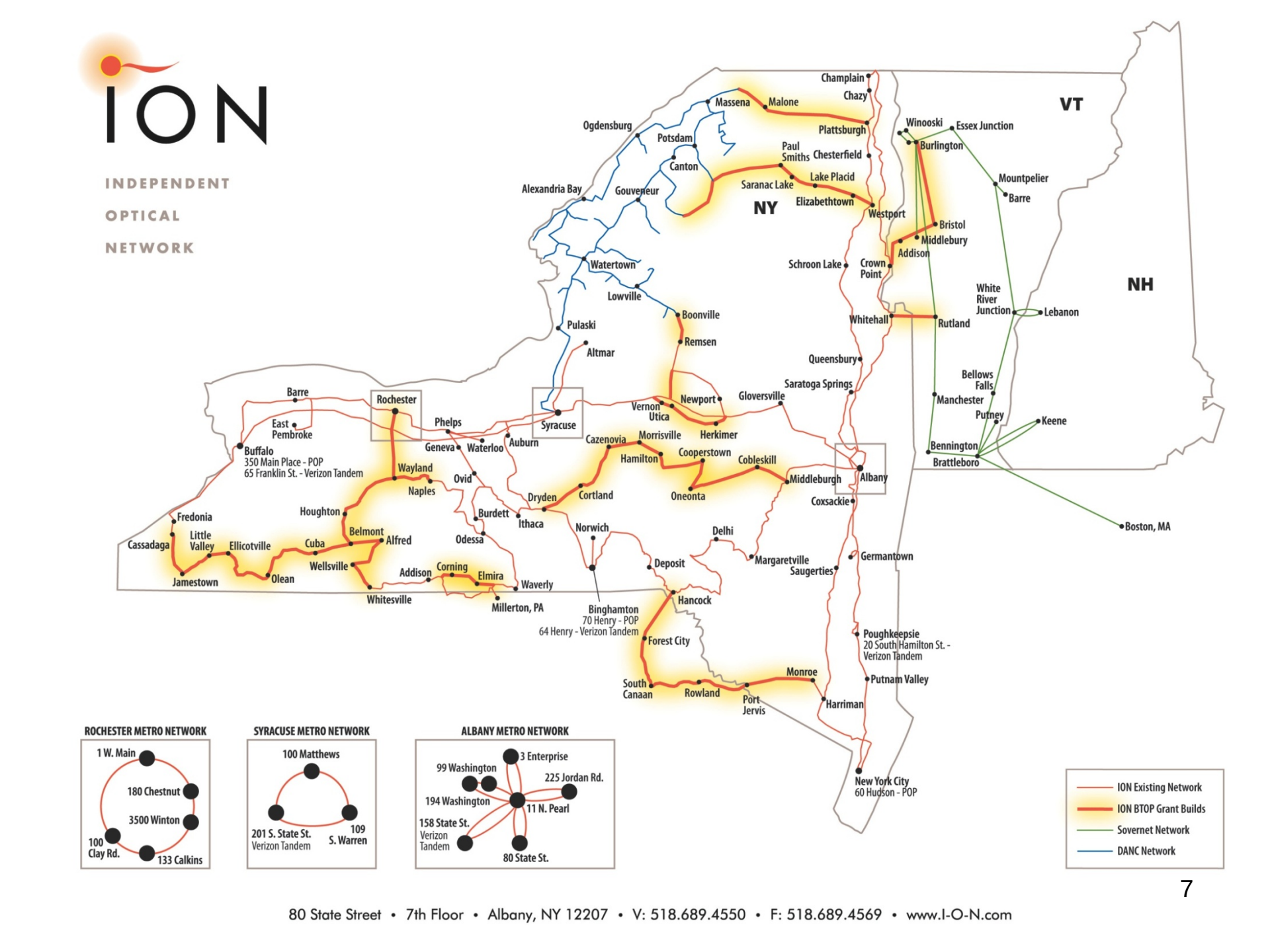
*Source NECA Annual Survey

# Broadband Growth
# In Small Communities

- ION partnered with NYSERNet and DANC (Dev. Authority of the North Country) in NY state, and has been selected as part of pilot program for the US-UCAN initiative, and;
- ION members anxious to find ways to support the FCC's "Connect to Compete" Initiative
  - Digital Literacy Programs
  - Access to CPE devices
  - Building low cost broadband infrastructure to schools, libraries and government offices

# Services for the RLEC's

- Long haul, middle mile transport for **Internet bandwidth** resulting in lowered costs (30-60% reduction)…via INOC
- **Wholesale ISP** operations to 14 RLEC's creating economies of scale, competitive services, and cutting edge technology…via INOC
- **Direct connections** between RLEC's for shared services
- **Aggregated LD, SS7, and Tandem transport** (using Neutral Tandem) services, which is yielding lower costs and redundant connections resulting in better service and better value
- Ability for RLEC's to partner to provide **"outside of area" services**
  - Example: $9.5M USAC Pilot tele-health grant to serve 48 rural healthcare sites in Northern NY with 100MB and 1Gig services






80 State Street • 7th Floor • Albany, NY 12207 • V: 518.689.4550 • F: 518.689.4569 • www.I-O-N.com

# BTOP Grant Overview

- **$49.6M** fiber backbone (middle mile) project,
  - **$39.7M** in grant money…**$9.9M** 20% match from ION
- ION award was part of first grants awarded, and highlighted President Obama
- **1308 miles** of new fiber routes (aerial and buried)
- **10 total projects**, core network plus lateral builds to 125+ anchor institutions and businesses
- **70+ new communities**
  - Goes through 10,000+ census blocks
  - Population = 570,000+, Households = 230,000+, Businesses = 39,000+
- Encompasses rural routes primarily in NY, but also includes Northern PA, and Western VT
- ION was recognized as a **"Top 100 Project Changing America"** by President Obama (only 1 of 2 broadband projects recognized)

# General Grant Overview (cont.)

- Applied in partnership with DANC
  - DANC is a quasi-government agency and is constructing and operating the northern routes
- Collaborated closely with:
  - Regional Planning and Development Boards
  - Local and regional IDA and Economic Development agencies
- Anchor Institutions (educational, health, public safety, governmental)
  - 125+ direct connections to anchor institutions
  - 300+ possible connections to anchor institutions
- Big impact on short term and long term job creation and retention
- Big economic impact on unserved and underserved rural areas

# Anchor Institutions & Businesses

**Over 125 direct connections**

- Colleges/Universities, including rural SUNY locations
- Hospitals and Regional Healthcare locations
- New York State Dept. of Mental Health locations
- Maximum Security and Dept. of Corrections facilities
- Libraries and educational locations

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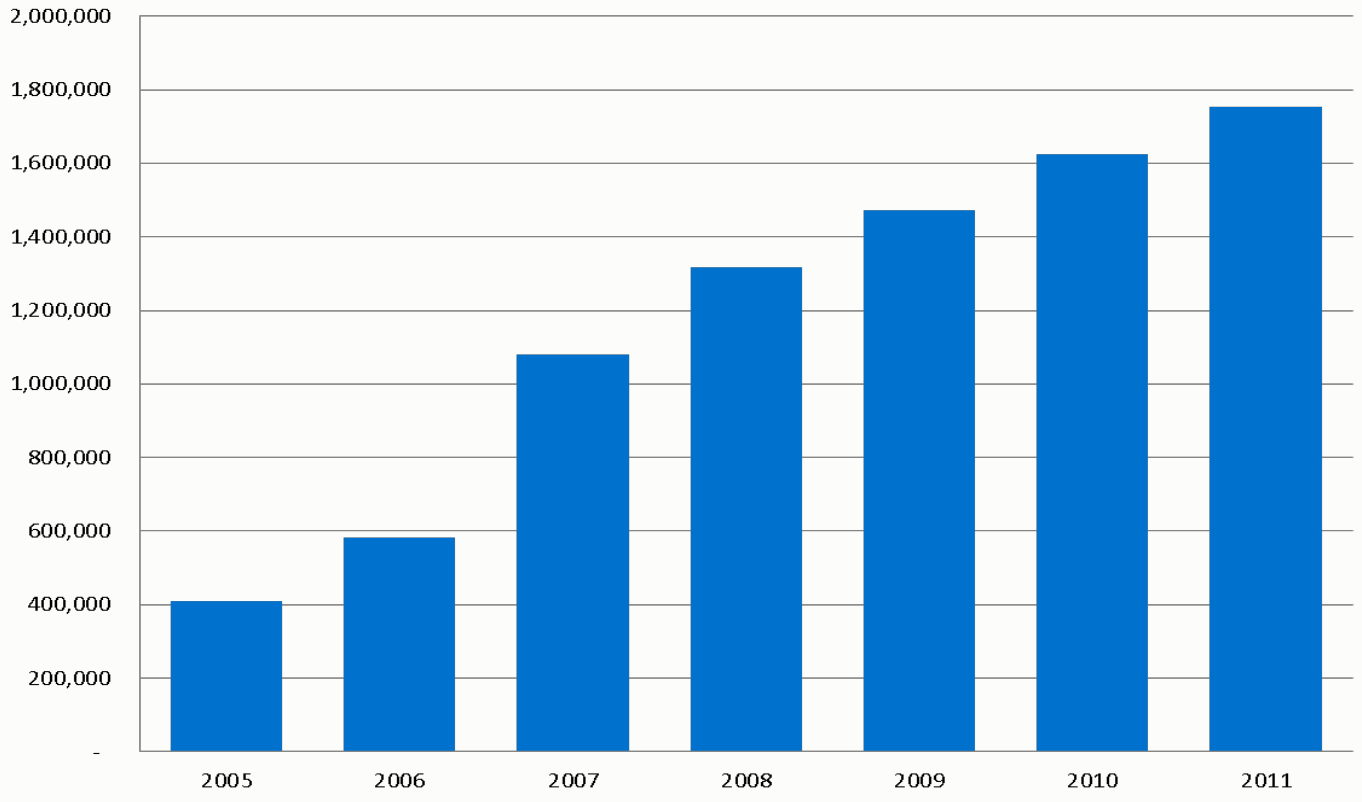
- Also working with Business/Enterprise and Research Centers, such as Corning R&D and Griffiss Tech Park
- NYSERNet (the educational & research network in NY) is a close and trusted partner

# NECA's Focus on Broadband

**NECA's TS members are committed to the delivery of ubiquitous affordable broadband in rural markets served by member companies**

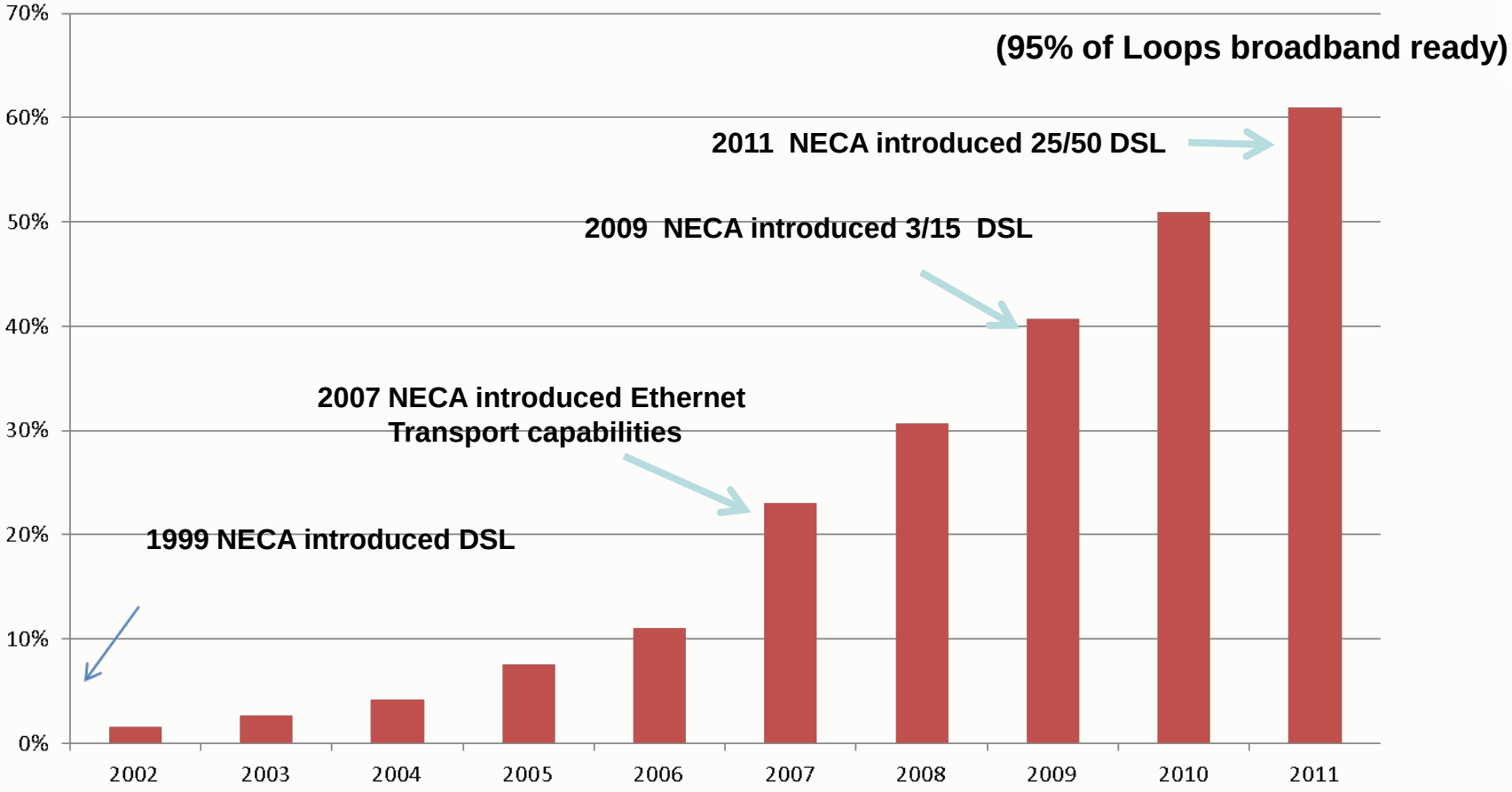
- Flexible tariff options for broadband access and wireless backhaul
- Tariff options to attract ISP aggregators to serve small markets
- Tariff options for members to access regional middle mile transport networks
- Tariff provides incentives for companies to grow broadband speeds and adoption rates.
- Staff provides training to members on broadband and programs to improve adoption rates
- NECA Staff provides members with access to CPE devices, and OTT vendors
- NECA staff assists members who are having issues with vendor instability

# *Total TS Pooling Company Broadband Line Service Growth**




*Source NECA Annual Survey

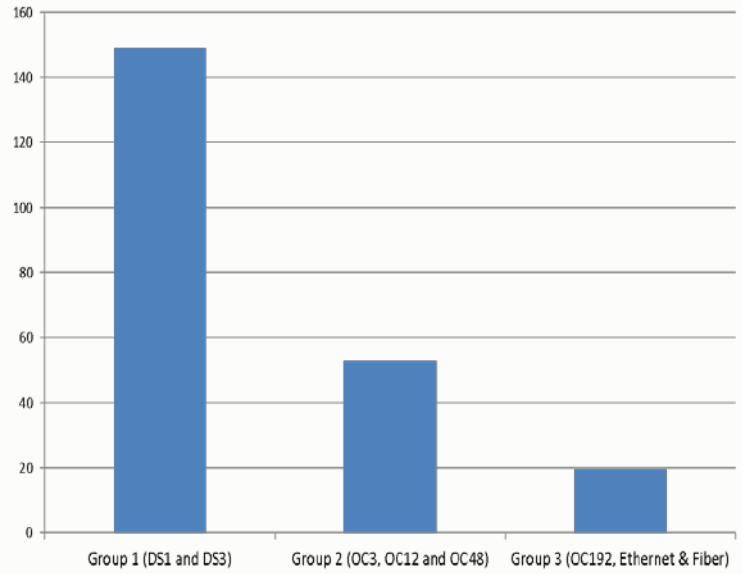
# NECA TS Pooling
# Broadband Adoption is Growing*




*Source NECA Annual Survey

# NECA
# Ethernet Services*

- 2/2/07 – NECA Files Tariff to Introduce Ethernet Transport Service (ETS)
  - Low cost transport option for DSL
  - Middle Mile Transport
  - Wireless backhaul
  - Commercial backhaul to Internet
  - Local Government
  - Schools/Libraries
  - Small business customers




**78% of Total TS pooling companies use Lower Cost Ethernet Transport for middle mile.**
**100% of ION NECA Members use Ethernet for Middle Mile (source NECA 2011 annual study)**

*Source NECA Annual Survey

# INOC

*(Independent Network Operations Consortium, LLC)*

# About INOC

- INOC *(Independent Network Operations Consortium, LLC)*
  - founded in January 2001, Operational in December 2001
  - subsidiaries of Germantown, Middleburgh, Pattersonville, and State Telephone Companies. (combined 400+ years of experience)
- INOC's primary mission is to…
  - provide unsurpassed critical data and Internet services to its owners and customers
  - provide a platform for its owners and customers to explore new technologies and expand their services into new markets and meet the needs of new customers.

# The Company

- Providing **wholesale ISP services** (includes email, DNS, authentication, webhosting, and SPAM-Virus blocking) to 90,000+ accounts (dial-up, DSL, cable, wireless, and FTTH)
- **Internet Backbone** services (aggregated 10Gb) to the INOC owners, other RLEC's, regional ISP's, and CLEC's
- Co-location, data storage, disaster recovery solutions, managed hosting services, virtual servers, cloud computing solutions, and backbone bandwidth connections to **enterprise/retail businesses**
- Fully **IPv6 ready** (dual stacked throughout the network)

# High Availability Data Center

- Redundant Temperature-Humidity controlled HVAC Units
- Separate AC and DC Powered Datacenter Rooms
- Onsite Diesel Powered Generator (priority fueling)
- FM-200 Dry Suppressant Fire System
- Alternate & Redundant Internal Power Feeds to Server and Network Cabinets
- Diversely Routed Fiber Optic Network Paths, within the building and externally for geographic redundancy
- Each Network Component is Redundant & Load Balanced
- 4 Tier-1 Internet backbone providers, geographically diverse circuits (each provider never goes through the same location as another provider)

# Services & Support

- **24x7 support**, remote hands service, unescorted access for qualified customers (extensive background check)
- Colo customers include; website/application developers, VoIP providers, fulfillment companies, law firms, etc.
- Providing **wholesale Internet services** (authentication, email, DNS, SPAM/virus blocking)
- **Aggregation** location for shared applications and switch services for RLEC's (built in a **cloud computing** environment)
- INOC manages all of the ISP connections for the California and Connecticut State Parks, as well as some National Parks across the country.

# Looking Ahead

- Continued focus on broadband deployments and adoption
- Continued policy focus on special needs of small ROR ILECs
  - Urgent need to stabilize cost recovery for last and second mile broadband networks
    - Last and second mile networks
    - Middle mile networks
    - Naked DSL lines
  - Continuation of options for Title II broadband
- More Transport Pricing Flexibility
- Expanded definition of LEC study area
  - Options to enhance connectivity to middle mile networks
  - Allow for options for special tariff arrangements to meet unique needs for Wireless backhaul
  - Enhance tariff options for jointly provided broadband

# Thank You!

**ION HoldCo LLC**

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**Albany, New York 12207**

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**www.i-o-n.com**